

1 plaintiff Securities and Exchange Commission (the "Commission"), by and through their respective
 2 representatives, and with respect to the following facts:

3 1. The Receiver was appointed on June 3, 2022 pursuant to this Court's Order
 4 Appointing Receiver [ECF No. 88] which was amended on July 28, 2022 [ECF 207] (collectively
 5 the "Appointment Order"). Pursuant to the Appointment Order, the Receiver was appointed as the
 6 federal equity receiver for, among other entities, J&J Consulting Services, Inc., a Nevada
 7 corporation ("Seller");

8 2. The Appointment Order required the turnover of certain personal and real property
 9 to the Receiver, including but not limited to the Regina Property (the "Regina Property"). The
 10 Regina Property was transferred to Seller in accordance with the Appointment Order.

11 3. The proposed buyers for the Regina Property, Howard N. Herndon and Dawna T.
 12 Herndon (collectively, "Buyer"), have agreed to purchase the Regina Property for the sum of
 13 \$430,000 in accordance with the Residential Purchase Agreement dated November 2, 2022 (the
 14 "RPA"). The Buyer has deposited \$9,000 into an escrow established at First American Title (the
 15 "Escrow"), pursuant to that escrow agreement dated 10/25/22, as an earnest money deposit. The
 16 proceeds of the sale shall be transmitted from Escrow to the Receiver, via wire transfer, immediately
 17 upon the closing of the sale. It is anticipated that the sale will close within 30 days of the District
 18 Court's approval of this Stipulation. The Receiver believes that the offer represents fair market
 19 value for the Regina Property.

20 4. The Receiver is seeking to close the sale via this Stipulation in lieu of a receiver's
 21 auction process because of unanticipated delays in the transfer of title to the Seller and a dispute
 22 with the Clark County Recorder's office over transfer taxes, both of which put the sale of the Regina
 23 Property, and the recovery of the sales proceeds for the benefit of the receivership estate, at risk in
 24 the immediate term. The transfers of title from the defendants to the Receiver are necessary in order
 25 for the Receiver to conduct the auctions contemplated by 28 U.S.C. § 2001, and the sales procedures
 26 already approved by this Court (which include sale pursuant to stipulation, in certain circumstances).
 27 However, the title company needs to underwrite title policies for the transfers to the Buyer in order
 28 to issue policies and this is taking time given the overall title company concerns with receivers and

1 receivership matters. The timing of the foregoing matters could result in the loss of the sale of the
 2 Regina Property, and several other of the properties, and therefore potentially reduced returns to the
 3 receivership estate.

4 5. The Regina Property has been listed for sale since 10/7/22 and Buyer's offer is the
 5 only all-cash offer received by the Seller, despite a price reduction. The Regina Property was
 6 initially listed for \$450,000. No offers were received at this price. Buyer's offer reflects the recent
 7 deterioration of the housing market in Clark County, the rise in mortgage interest rates, and the
 8 overall expectation that homes in this price range will be subject to material negotiations over the
 9 listed price.

10 6. The Seller and the real estate broker further believe that delays in the closing beyond
 11 the timing contemplated by the RPA will jeopardize the sale. As noted above, the market is
 12 deteriorating as a result of the extraordinary rise in mortgage rates over the past six months. It is
 13 possible that if this sale does not close, the Regina Property may remain on the market through the
 14 winter.

15 7. After payment of closing costs and brokers' commissions, as specifically reflected in
 16 the RPA, all sale proceeds from the sale of the Regina Property shall be wired directly to the Seller
 17 from Escrow, as provided for in Paragraph 3, above. It is estimated that the net proceeds of the sale,
 18 which will be wired from the Escrow to the Seller, will be approximately \$405,624.04.

19 8. Based upon the time that the has been on the market, the terms of the Buyer's offer,
 20 and anticipated market conditions for homes in this price range, the Receiver, and the Commission
 21 have agreed to the immediate sale of the Regina Property to the Buyer, on the terms set forth in the
 22 RPA.

23 9. Accordingly, in light of the unique facts and circumstances surrounding the proposed
 24 sale of the Regina Property including but not limited to the limited market for an "as-is" sale of real
 25 property, the all-cash terms of the sale, as well as the Receiver's concerns that failing to immediately
 26 move forward with this sale may lead to the receipt of significantly less recovery for the receivership
 27 estate, the undersigned parties believe this Stipulation is necessary, and in the best interest of all
 28 parties and the receivership estate. Therefore, the undersigned agree that it is appropriate to waive

1 any requirements imposed by 28 U.S.C. § 2001, *et seq.* to the extent they are applicable to the offer,
2 the RPA and the proposed sale.

3 **ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED** by and between the
4 undersigned counsel that:

- 5 A. Seller may sell the Regina Property pursuant to the offer reflected in the RPA;
6 B. The deposit received relating to the RPA shall be immediately delivered to the Seller;
7 and
8 C. Following the District Court's approval of this Stipulation, on the Closing Date
9 reflected in the RPA, that the net proceeds of the sale shall be wired directly from Escrow to the
10 Seller.

11 DATED this 27th day of January, 2023

12 **GREENBERG TRAURIG, LLP**

13 By: /s/ Kara B. Hendricks
14 KARA B. HENDRICKS (SBN 07743)
15 JASON K. HICKS (SBN 13149)
16 KYLE A. EWING (SBN 14051)
17 JARROD L. RICKARD (SBN 10203)
18 KATIE L. CANNATA (SBN 14848)
19 **SEMENZA KIRCHER RICKARD**
20 10161 Park Run Drive, Suite 150
Las Vegas, Nevada 89145
Telephone: (702) 835-6803
Facsimile: (702) 920-8669

21 DAVID R. ZARO*
22 JOSHUA A. del CASTILLO*
23 MATTHEW D. PHAM*
24 *admitted pro hac vice
25 **ALLEN MATKINS LECK GAMBLE**
MALLORY & NATSIS LLP
26 865 South Figueroa Street, Suite 2800
Los Angeles, California 90017-2543
Telephone: (213) 622-5555
Facsimile: (213) 620-8816
27 *Attorneys for Receiver Geoff Winkler*

DATED this 27th day of January, 2023

**SECURITIES & EXCHANGE
COMMISSION**

By: /s/ Casey R. Fronk
TRACY S. COMBS, ESQ.
(California Bar No. 298664)
CASEY R. FRONK, ESQ.
(Illinois Bar No. 6296535)
351 South West Temple, Suite 6
100 Salt Lake City, Utah 84101
Telephone: (810) 524-5796
Facsimile: (810) 524-3558

ORDER

IT IS HEREBY ORDERED that:

- A. Seller may sell the Regina Property pursuant to the terms of the RPA.
 - B. The deposit received by Escrow pursuant to the RPA shall be immediately transferred to the Seller; and
 - C. Upon the Closing of the sale of the Regina Property pursuant to the RPA, the net proceeds shall be wired directly from Escrow to the Seller.

IT IS SO ORDERED.

Dated: January 30, 2023

HON. CRISTINA D. SILVA
Judge, United States District Court

EXHIBIT A

EXHIBIT A

Legal Description
2143 Via Regina Coeli Street

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Clark, State of Nevada, and is described as follows:

LOT FOUR (4) IN BLOCK FIVE (5) OF CAMP LADY OF THE SNOWS
SUBDIVISION AS SHOWN BY MAP THEREOF ON FILE IN BOOK 5, OF
PLATS, PAGE 45, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK
COUNTY, NEVADA